



Hamlet of Springs & East Hampton

EAST HAMPTON HAMLET BUSINESS DISTRICT PLAN

ANALYSIS FINDINGS

Presented By:
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RKG Associates, Inc.

June 2, 2017



Associates, Inc.

Demographic and Economic Base Trends

- Population
- Household Income
- Employment Scale and Trends

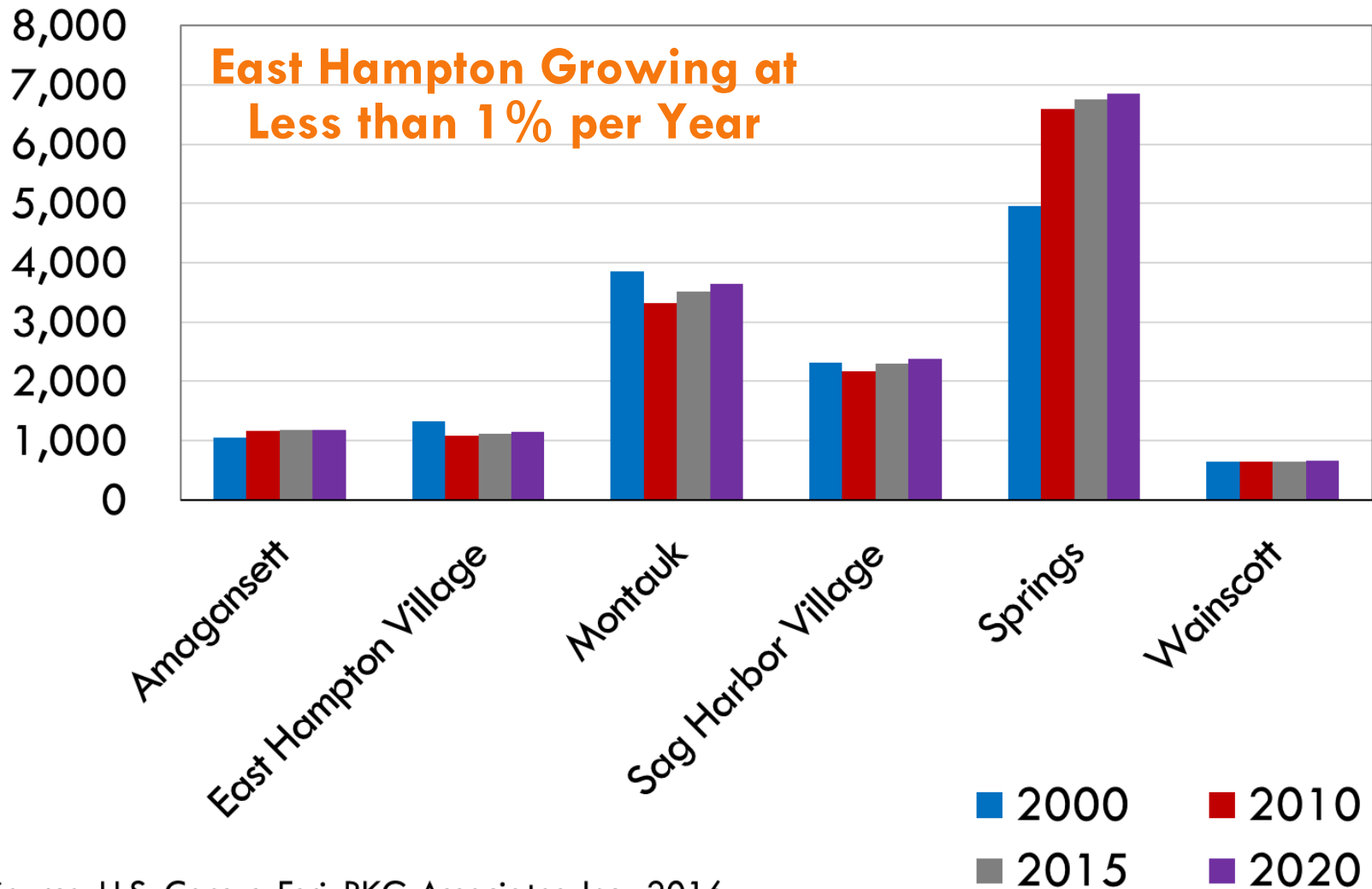
Key Industries

- Agriculture
- Commercial Fishing and Maritime
- Hospitality and Tourism
- Retail and Hamlet Business Districts
- Second Home and Real Estate

Montauk Summary

Population Trends

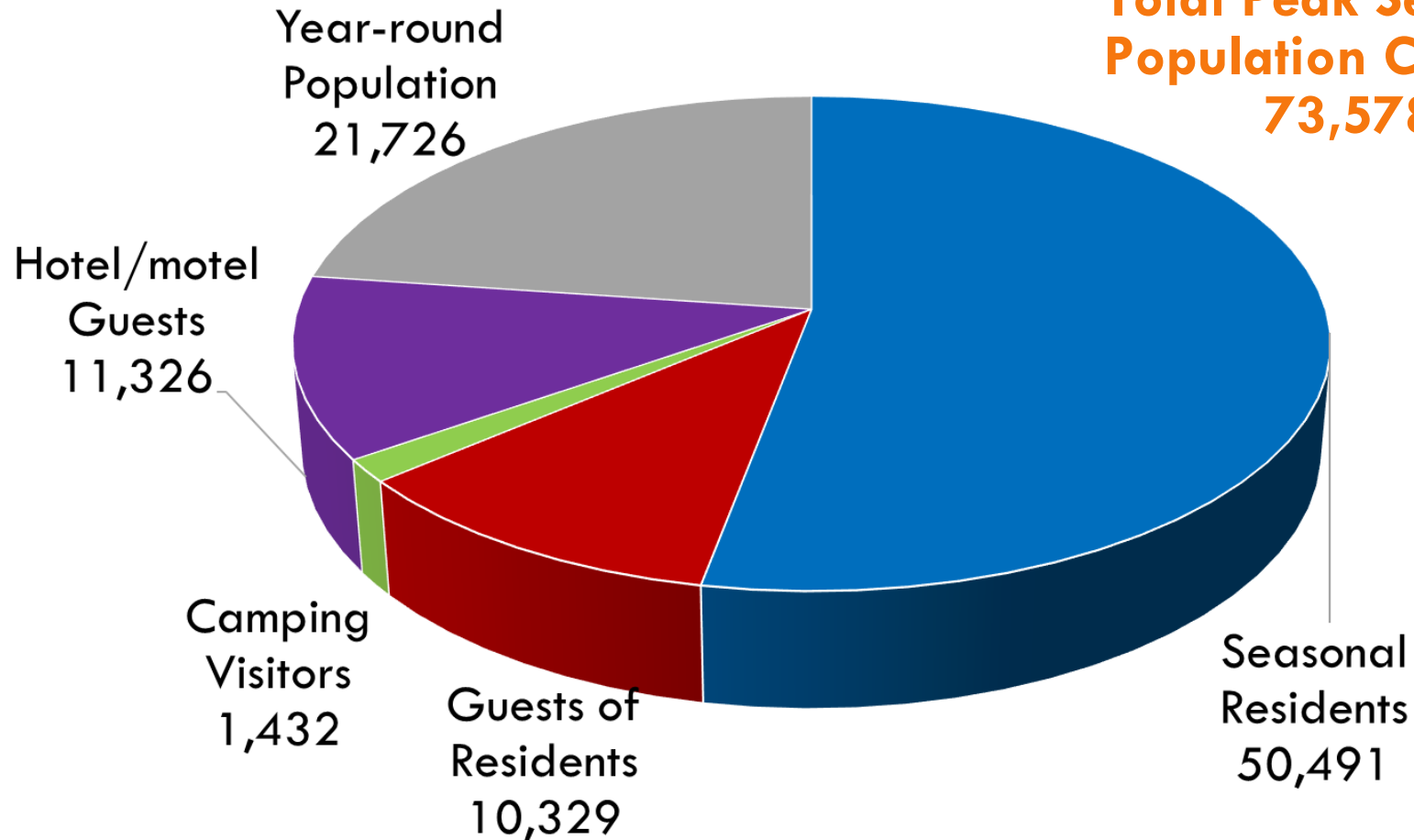
2000-2020



Source: U.S. Census, Esri, RKG Associates, Inc., 2016

Year Round v. Peak Seasonal Population Capacity

**Total Peak Seasonal
Population Capacity
73,578**

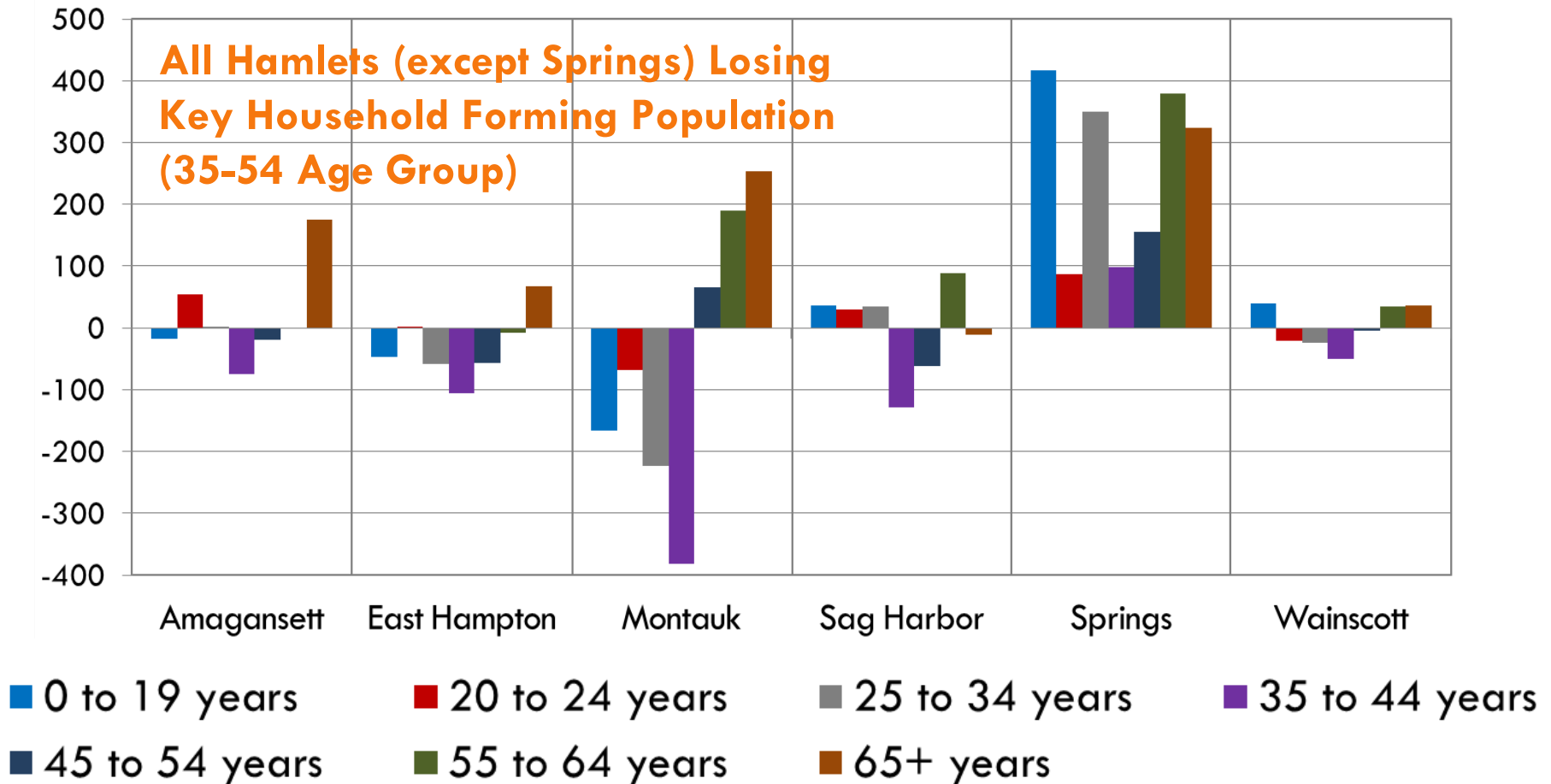


Source: Suffolk County Planning Department, RKG Associates, Inc.,

Population Changes by Age Group

Town of East Hampton

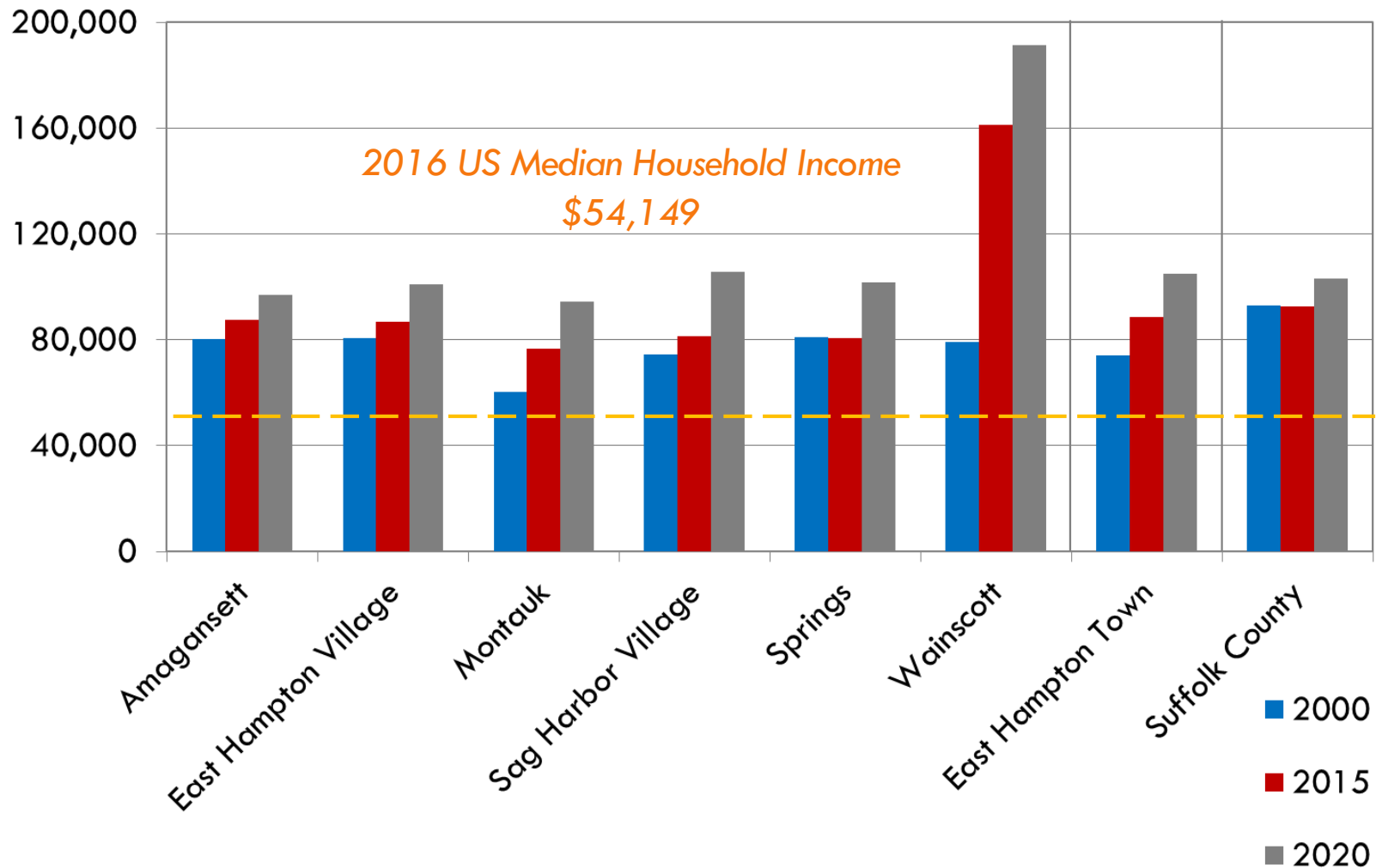
2000-2015



Source: U.S. Census Bureau, Esri, RKG Associates, Inc., 2016

Household Median Income Trends

East Hampton and Suffolk County
2000-2020



Source: U.S. Census Bureau, Esri, RKG Associates, Inc., 2016

Slowly Growing but Aging Population

- Town-level population growth is slow but has outpaced Suffolk County
- Growth mainly driven by Springs' change in Hispanic population
- Population aging (55+ growth) except in Springs is occurring at the same time there is reductions in the workforce population
- Surging housing and school demand in Springs
- Second/Seasonal home presence is dominant and growing
- Growing demand for services catering to older population

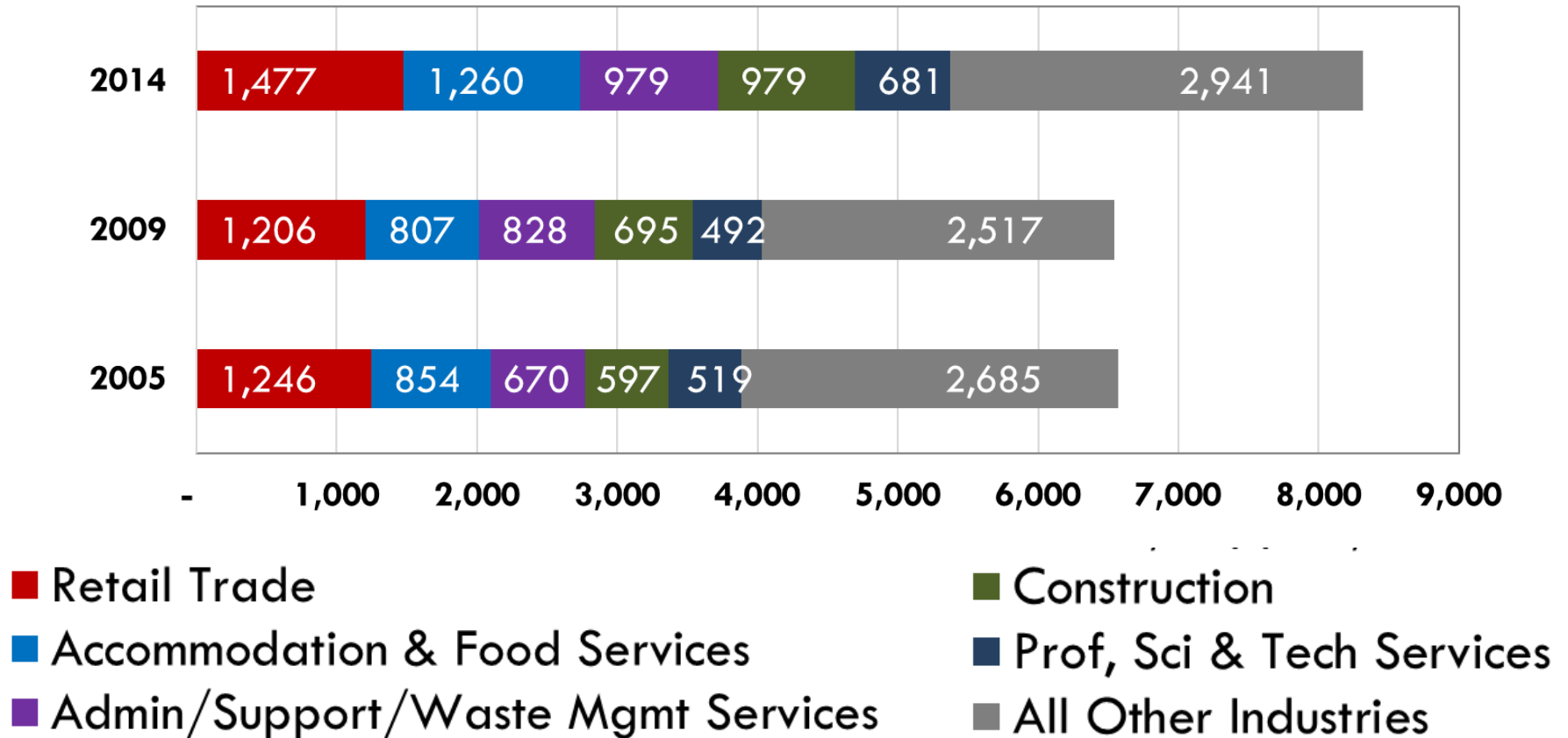
High Median Household Income and Shifting Higher

- Below the Suffolk County level but well above the national level
- Fast growth due to higher income households moving in and average income households moving out
- Impacts: driving up real estate prices, harder to retain workforce; opportunities for businesses that cater to high-income households and tourists

Employment Trends

East Hampton
2005-2014

27% Job Growth

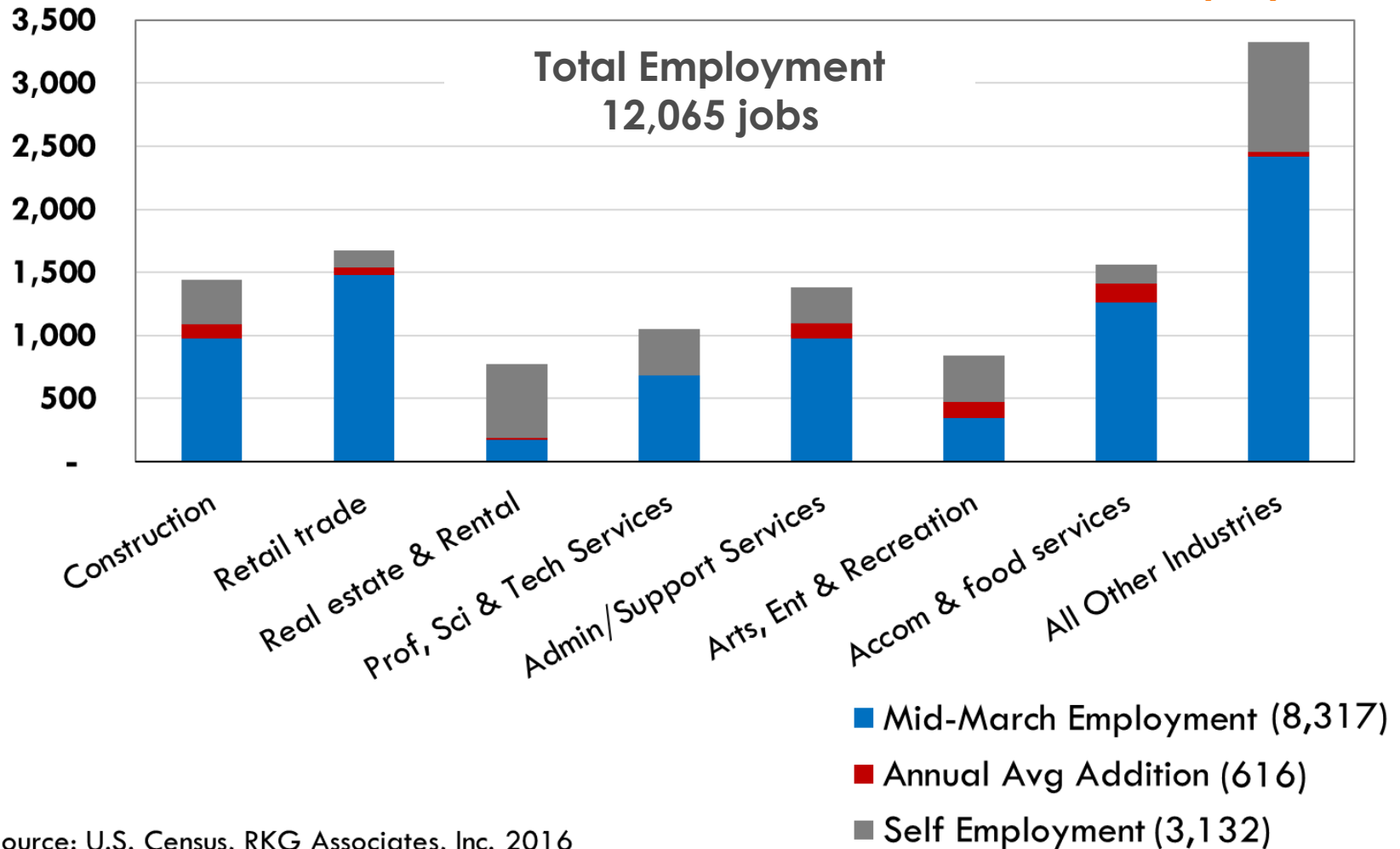


Source: U.S. Census, RKG Associates, Inc. 2016

Seasonal Employment and Self-employment

East Hampton
2014

26% of Workers
Self-Employed



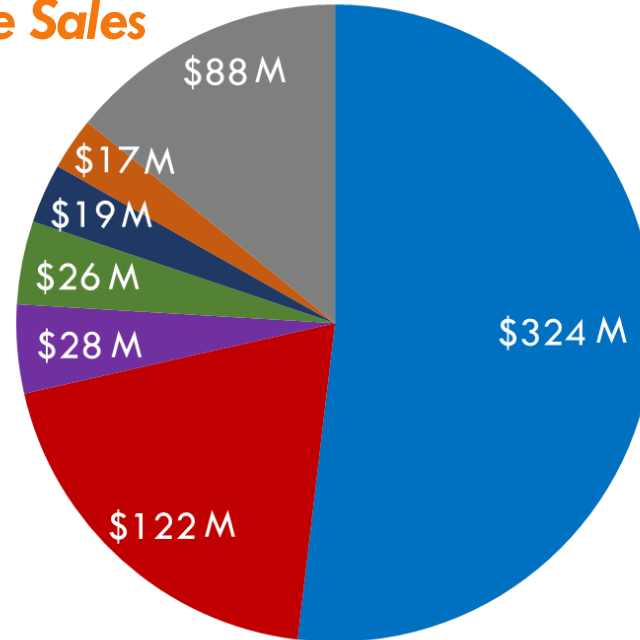
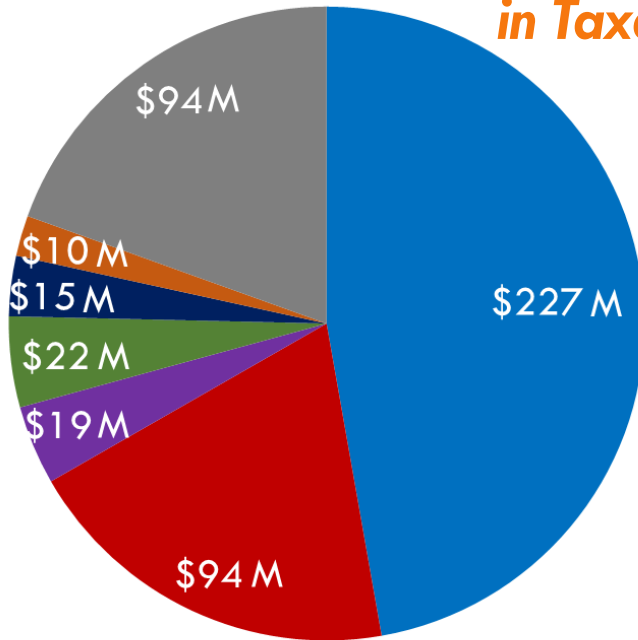
Source: U.S. Census, RKG Associates, Inc. 2016

Taxable Sales Trends (\$ millions)

\$481 Million
(2009)

**30% Growth
in Taxable Sales**

\$624 Million
(2014)



- Retail Trade
- Admin/Support Services
- Arts, Ent, Recreation
- All Other Industries

- Accom & Food Services
- Information
- Construction

Source: U.S. Census, U.S. BLS, NY State Dept. Taxation & Finance, RKG Associates, Inc. 2016

Economy Driven by Second Home and Tourism

- Strong growth in total employment and taxable sales
- Relative stability during the 2009-2010 Recession
- Real estate has come back, driven by second home sales/development
- Tourism economy stronger in Montauk but fishing industry faces many challenges
- Sea-level change and increased regulations could impact both industries

Highly Seasonal

- Seasonal labor supply is very important to maintaining core service and tourism economy
- Seasonal workforce and affordable housing is one of the biggest threats to the economy. Must become a community priority and address NIMBY

Sizable self-employment base creates “freelance” economy and entrepreneurship

Agriculture

- Limited production capacity but important to maintain
- Valuable as open space and tourism asset
- Could play a greater economic role in the future

Commercial Fishing

- Represent 50%-60% of Suffolk County production and 30%-45% of New York State production
- Faced with all manner of regulatory challenges and reductions in the fish stocks
- Needs additional ways to add value
- Need significant changes to reposition the industry for the future

Maritime

- A major component of the tourism economy, especially in Montauk and Springs
- Large numbers of self-employed operators
- Industry more adaptable due to the diversity of the activities
- Susceptible to down economic cycles and competition in other seaside communities

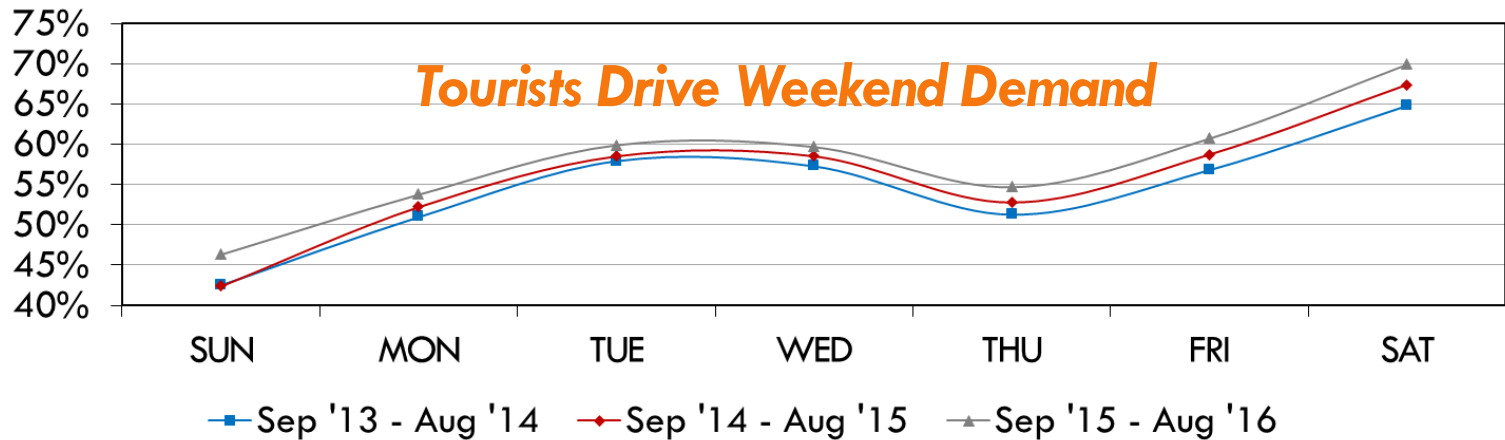
East Hampton Hotel Inventory

Year Round v. Seasonal Supply

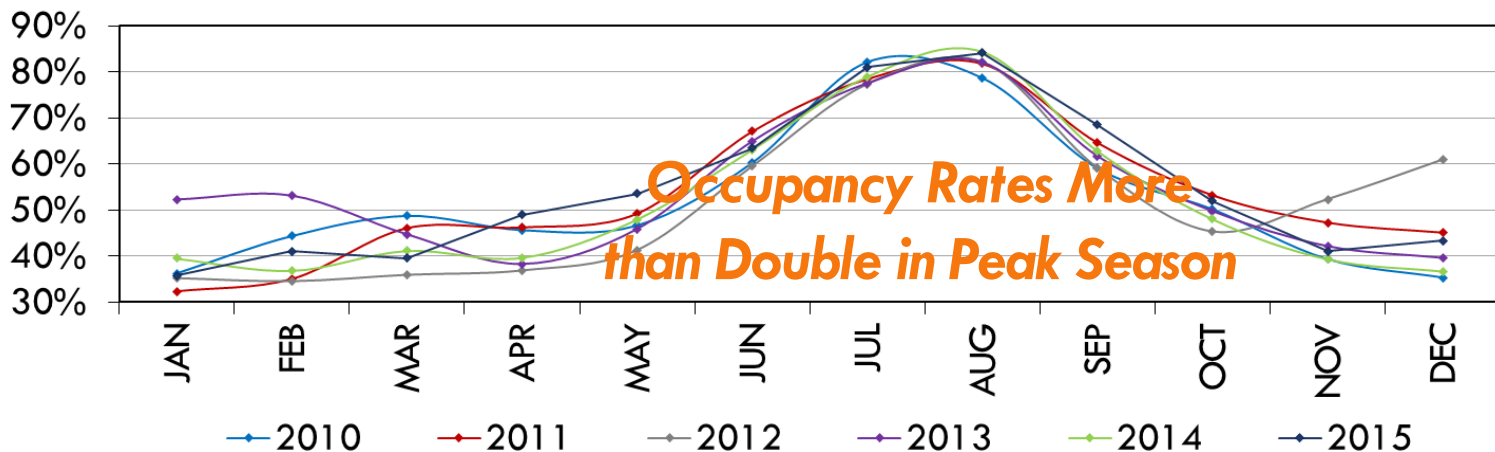
	Year Round		Seasonal		Total		Percentage	
	# of Hotels	# of Rooms	# of Hotels	# of Rooms	# of Hotels	# of Rooms	# of Hotels	# of Rooms
Amagansett	5	108	0	0	5	108	6.0%	4.3%
Napeague	2	119	5	251	7	370	8.4%	14.7%
Montauk	25	740	28	1,047	53	1,787	63.9%	70.8%
Springs	1	4	0	0	1	4	1.2%	0.2%
Wainscott	1	18	1	20	2	38	2.4%	1.5%
EH Village	14	212	1	4	15	216	18.1%	8.6%
Total #	48	1,201	35	1,322	83	2,523	100.0%	100.0%
Percentage	57.8%	47.6%	42.2%	52.4%	100.0%	100.0%		

- **64% of hotels and 71% of hotel rooms are located in Montauk**
- **52% of all rooms are seasonal**

Daily Occupancy Rates (19 Sample Hotels in the Region, Sep. '13 - Aug. '16)



Monthly Occupancy Rates (19 Sample Hotels in the Region, 2010-2015)



Source: Smith Travel Research, RKG Associates, 2016

Hospitality & Other Lodging Options

- As guests of East Hampton residents (year-round & seasonal)
- Seasonal rental properties through Realtors
- Resort-condos and resort-coops
- Online home reservation services (e.g. Airbnb)
- Local camp sites

Hospitality Opportunities and Challenges

- Traditional hotels are facing increased competition from home reservations
- Strength of hospitality market tied to economic cycles and will fluctuate
- Home reservations have created some negative impacts on residential neighborhood but local regulations seem to be working
- Climate change and environmental issues could pose threat to many ocean front hotel properties

East Hampton Commercial Districts Business Inventory	Num of Businesses		Square Footage	
	#	%	SF	%
Agriculture, Forestry, Fishing and Hunting	1	0.1%	n/a	n/a
Mining, Quarrying, Oil/Gas Extraction	1	0.1%	n/a	n/a
Utilities	1	0.1%	n/a	n/a
Construction	87	12.1%	165,309	6.6%
Manufacturing	3	0.4%	13,793	0.6%
Wholesale Trade	2	0.3%	4,402	0.2%
Retail Trade	206	28.7%	516,602	20.6%
Transportation and Warehousing	17	2.4%	110,389	4.4%
Information	5	0.7%	3,100	0.1%
Finance and Insurance	11	1.5%	46,356	1.9%
Real Estate and Rental and Leasing	15	2.1%	36,168	1.4%
Professional, Scientific, Technical Services	49	6.8%	92,197	3.7%
Admin/Support, Waste Mgmt Services	4	0.6%	2,803	0.1%
Educational Services	2	0.3%	3,691	0.1%
Health Care and Social Assistance	31	4.3%	77,833	3.1%
Arts, Entertainment, and Recreation	62	8.6%	195,222	7.8%
Accommodation and Food Services	179	24.9%	1,148,053	45.8%
Other Services (except Public Admin)	43	6.0%	88,297	3.5%
Total	719	100.0%	2,504,215	100.0%

Retail

- Overall Net Surplus of Retail Sales - (retail sales exceed the total demanded by local households)
 - Tourists
 - Seasonal residents
- East Hampton lacks a variety of goods and services for year-round residents
- Year-round residents say they don't mind driving outside the community or making online orders for goods that they can't buy locally
- Some Potential for New Retail Development in Certain Locations

Supportable Retail

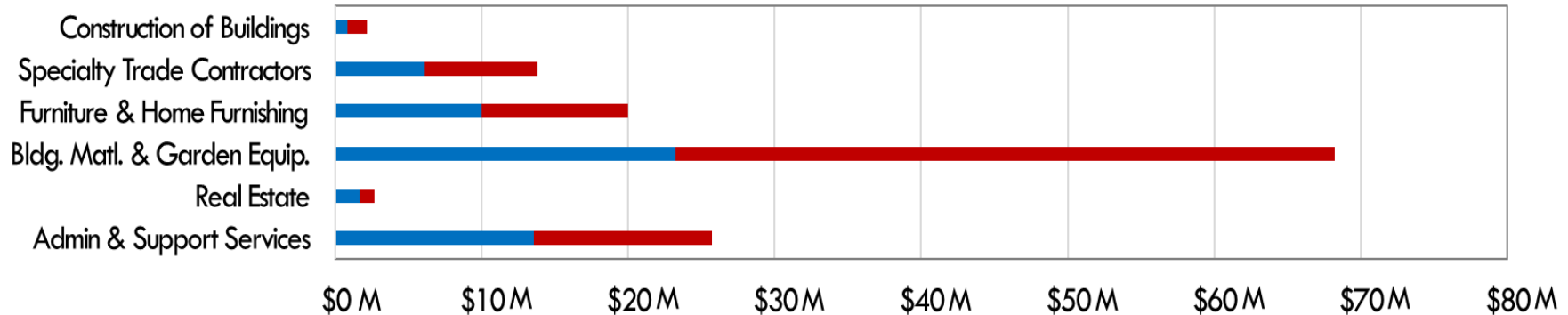
- 184,000 SF to 390,000 SF of supportable new retail square feet
- May not translate into new stores but new product lines in existing stores

Business Type	Requisite Conditions
Auto Parts, Accessories & Tire Stores	Convenience
Electronics & Appliance Stores	Convenience, access, visibility
Health & Personal Care Stores	Convenience, access, visibility
Shoe Stores	Convenience, access, visibility
Department Stores Excluding Leased Depts.	Convenience
Other General Merchandise Stores	Convenience
Limited-Service Eating Places	Suitable visibility, access, environment. National chains

Second Home Economy – Consumer Spending

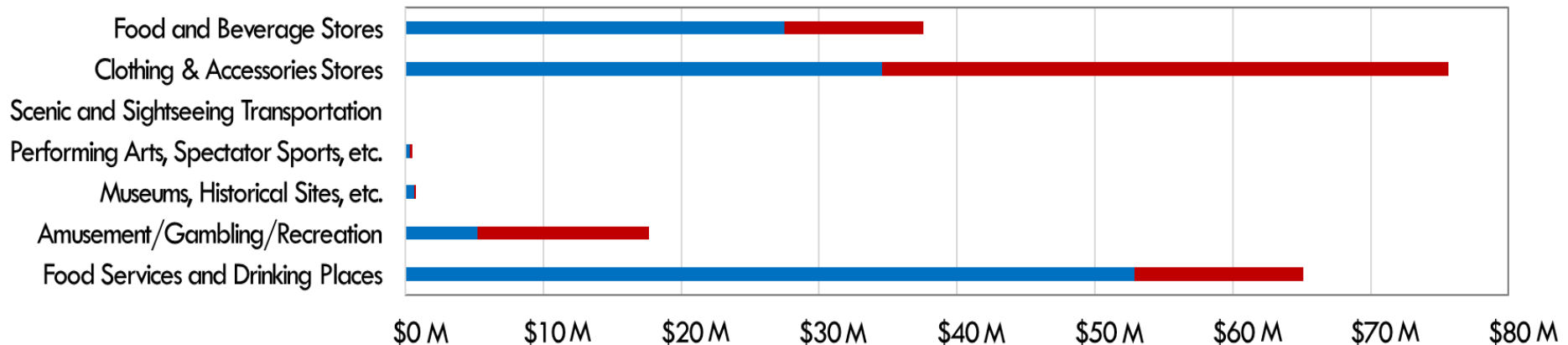
Home Construction & Maintenance Spending

Residents Spending (\$55.5 Million)
Second Home Owners & Tourists Spending (\$77.1 Million)



Other Spending

Residents Spending (\$121.1 Million)
Second Home Owners & Tourists Spending (\$76.2 Million)

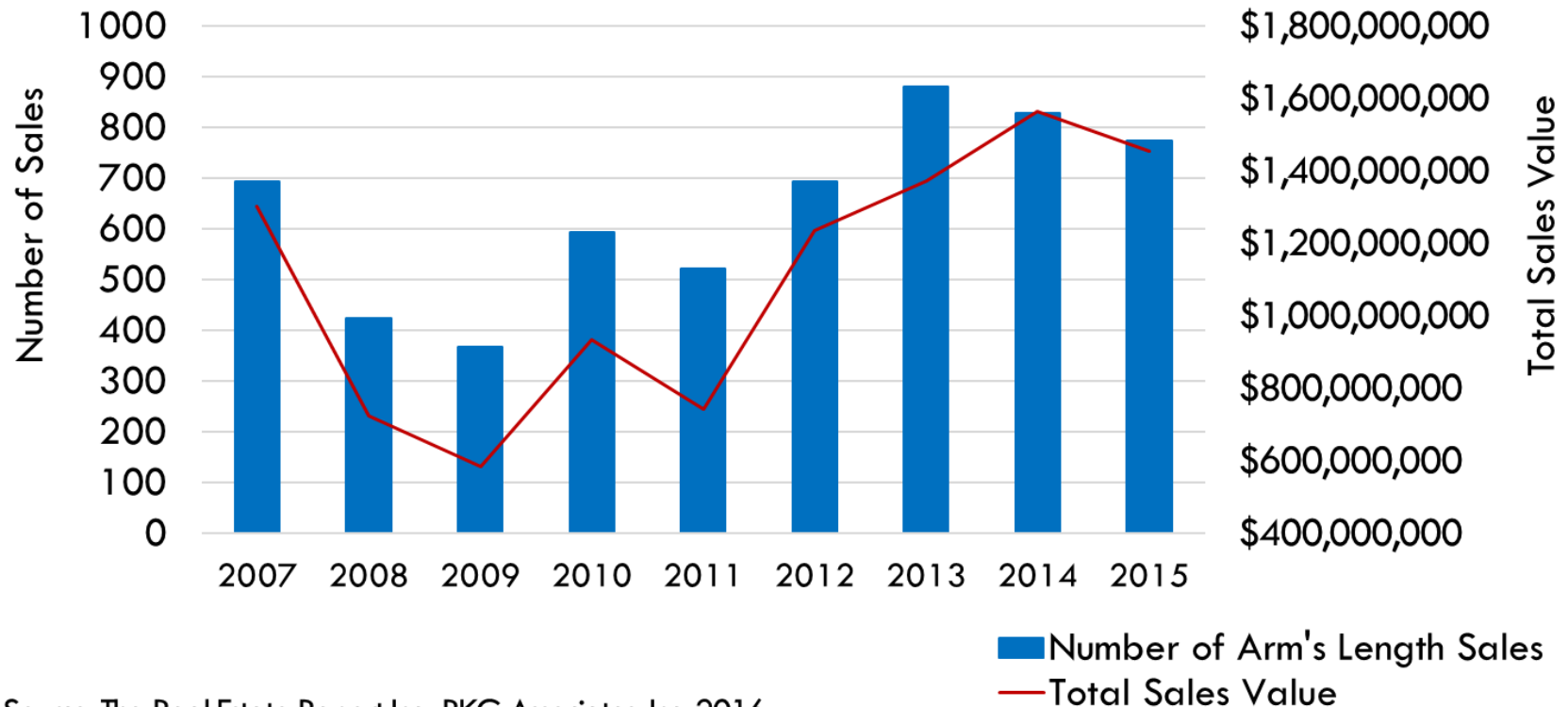


Total: 46% of Taxable Sales (\$153.3 Million) from Second Home Owners and Tourists

Second Home Economy Real Estate Sales

Residential Property Arm's Length Sales

East Hampton
2007-2015



Source: The Real Estate Report Inc., RKG Associates, Inc. 2016

Second Home Economy Residential Property Tax Revenues

Town Residential Property Ownership Pattern (2015)

	Properties		Total Assessed Value		Total Tax	
	Number	%	\$	%	\$	%
Second Home	11,498	63.2%	\$133,905,372	73.9%	\$112,885,909	72.3%
Other Parts of Long Island	2,232	12.3%	\$18,616,996	10.3%	\$16,844,962	10.8%
NY State excluding Long Island	7,029	38.7%	\$87,311,812	48.2%	\$72,877,581	46.7%
Other U.S. States	2,133	11.7%	\$26,290,354	14.5%	\$21,820,893	14.0%
International	104	0.6%	\$1,686,210	0.9%	\$1,342,472	0.9%
Year-round Home	6,610	36.4%	\$46,784,912	25.8%	\$43,159,413	27.7%
Uncategorized	3	0.0%	\$9,700	0.0%	\$8,728	0.0%
Tax Exempt	70	0.4%	\$539,025	0.3%	\$0	0.0%
TOTAL	18,181	100.0%	\$181,239,009	100.0%	\$156,054,050	100.0%

Source: Town of East Hampton, East Hampton Village, NY State Dept. of Taxation and Finance, KRG Associates, Inc., 2017

Tourism-related Industries

- Agriculture
- Sports fishing, Maritime, and other Recreations
- Hospitality
- Retails & Restaurants

Second Home-related Industries

- Construction and Maintenance
- Retails
- Residential Property Transactions
- Shares in Property Value and Tax Revenues

Contribution to Local Economy

- Support 46% of Total Year-Round Taxable Sales



HAMLET OF SPRINGS AND EAST HAMPTON

ANALYSIS FINDINGS

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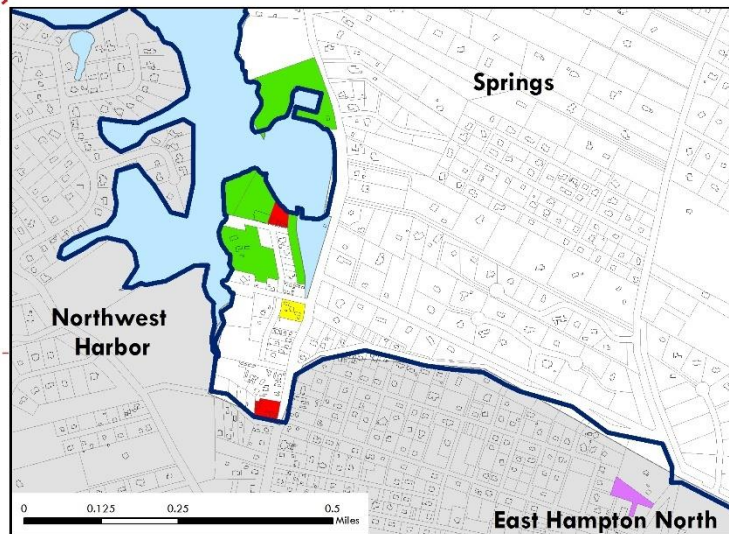
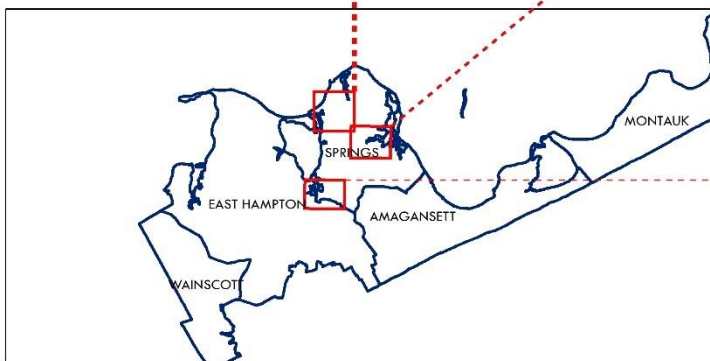
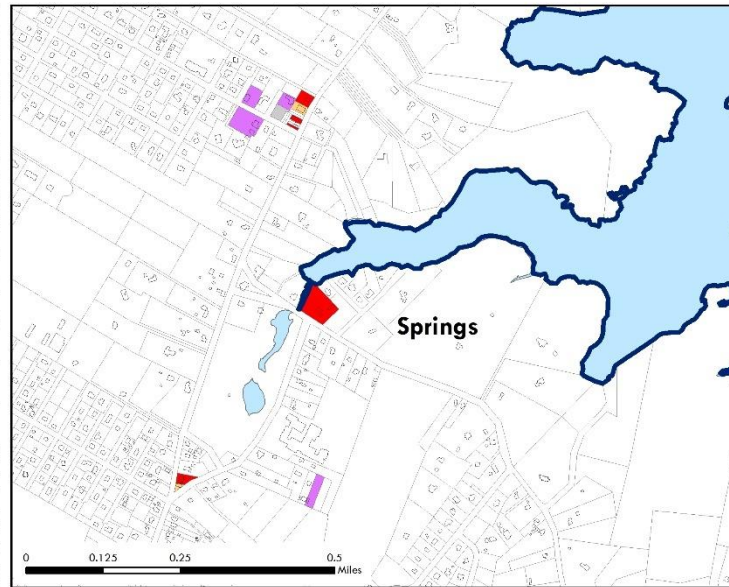
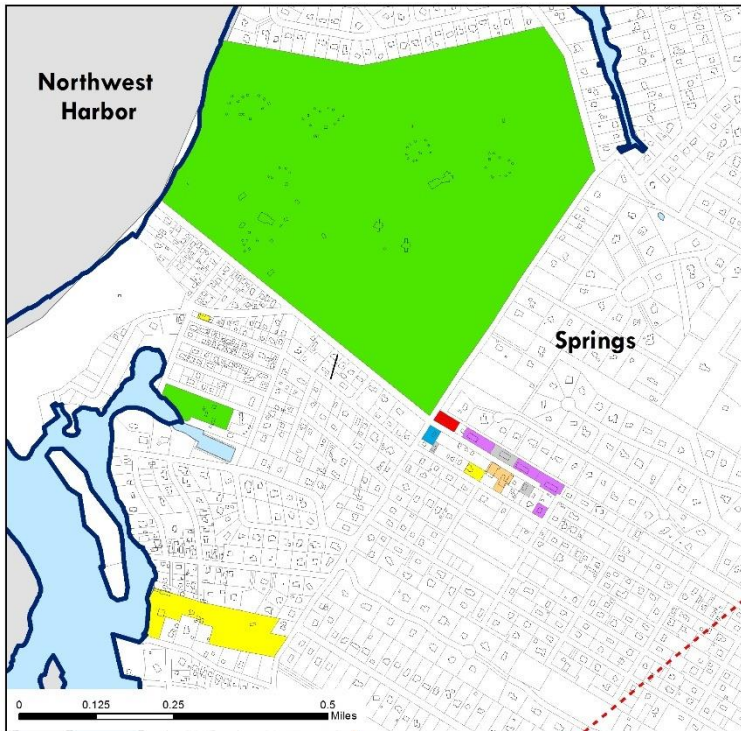
June 2, 2017



Associates, Inc.

Springs Business District

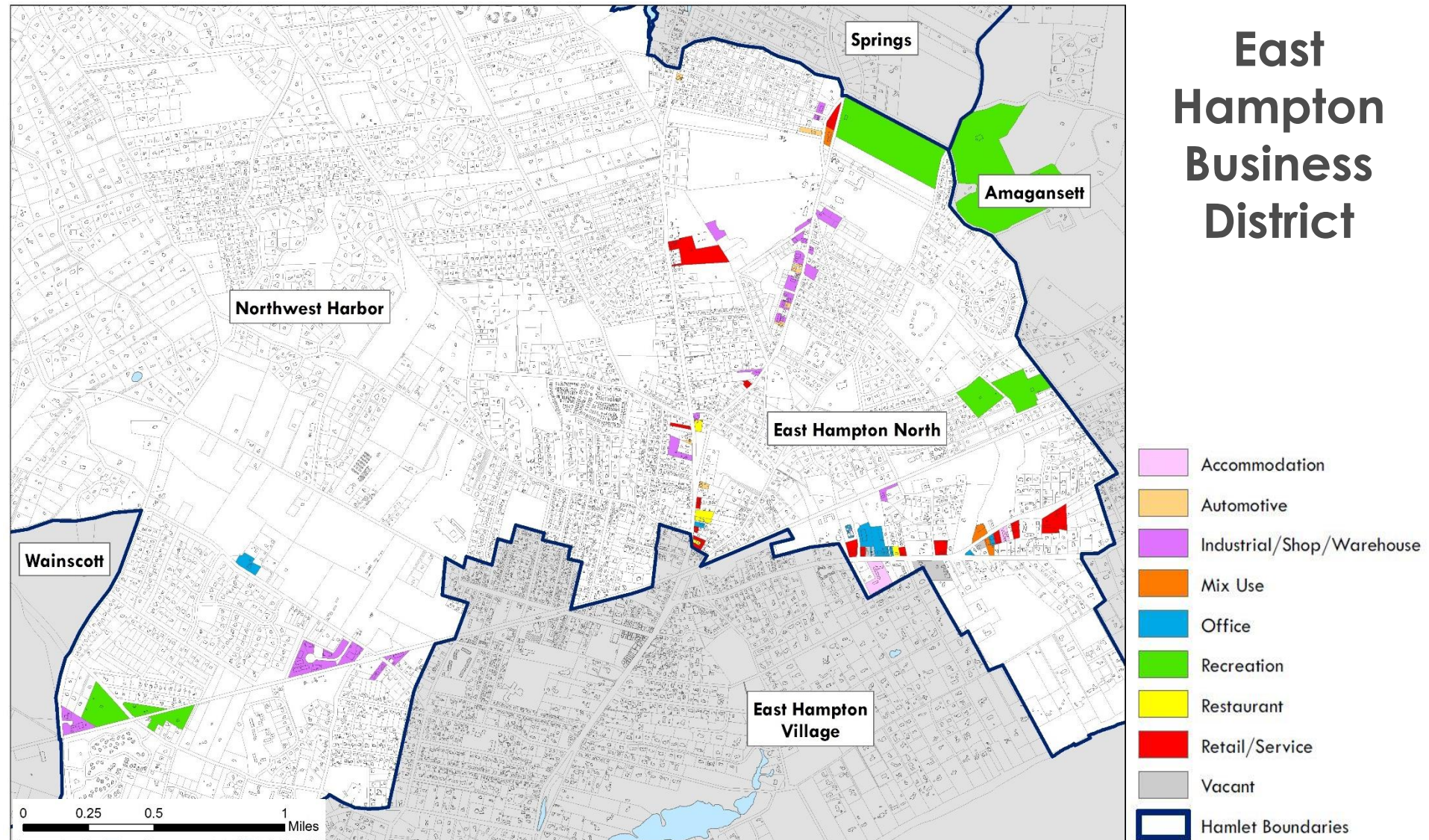
- Accommodation
- Automotive
- Industrial/Shop/Warehouse
- Mix Use
- Office
- Recreation
- Restaurant
- Retail/Service
- Vacant
- Hamlet Boundaries



Hamlet of Springs Business District Inventory

	Num of Businesses		Square Footage	
	#	%	SF	%
Construction	6	12.5%	10,983	7.4%
Retail Trade	6	12.5%	14,397	9.8%
Transportation and Warehousing	3	6.3%	11,978	8.1%
Professional, Scientific, Technical Services	3	6.3%	2,500	1.7%
Educational Services	1	2.1%	1,590	1.1%
Arts, Entertainment, and Recreation	16	33.3%	70,305	47.7%
Accommodation and Food Services	9	18.8%	17,182	11.7%
Other Services (except Public Admin)	4	8.3%	18,498	12.5%
Sub-total	48	100.0%	147,433	100.0%
% of Town Total	6.7%	n/a	5.9%	n/a

East Hampton Business District



East Hampton Business Inventory

	Num of Businesses		Square Footage	
	#	%	SF	%
Mining, Quarrying, Oil/Gas Extraction	1	0.6%	n/a	n/a
Construction	48	26.7%	110,240	21.0%
Manufacturing	2	1.1%	13,793	2.6%
Retail Trade	40	22.2%	133,695	25.5%
Transportation and Warehousing	3	1.7%	43,152	8.2%
Information	3	1.7%	3,100	0.6%
Finance and Insurance	6	3.3%	28,802	5.5%
Real Estate and Rental and Leasing	4	2.2%	18,264	3.5%
Professional, Scientific, Technical Services	17	9.4%	30,092	5.7%
Admin/Support, Waste Mgmt Services	1	0.6%	n/a	n/a
Health Care and Social Assistance	16	8.9%	43,127	8.2%
Arts, Entertainment, and Recreation	10	5.6%	25,122	4.8%
Accommodation and Food Services	13	7.2%	54,487	10.4%
Other Services (except Public Admin)	16	8.9%	21,423	4.1%
Sub-total	180	100.0%	525,297	100.0%
% of Town Total	25.0%	n/a	21.0%	n/a

Springs Residential Property Ownership Pattern (2015)

Springs	Properties		Total Assessed Value		Market Value		Total Tax	
	Number	%	\$	%	Total	Per Property	\$	%
Second Home	2,152	50.6%	\$12,917,784	54.3%	\$2,189,454,915	\$1,017,405	\$17,784,998	56.0%
Other Parts of Long Island	396	9.3%	\$2,151,023	9.0%	\$364,580,169	\$920,657	\$2,953,842	9.3%
NY State excluding Long Island	1,354	31.8%	\$8,384,690	35.3%	\$1,421,133,898	\$1,049,582	\$11,556,198	36.4%
Other U.S. States	386	9.1%	\$2,257,016	9.5%	\$382,545,085	\$991,049	\$3,102,134	9.8%
International	16	0.4%	\$125,055	0.5%	\$21,195,763	\$1,324,735	\$172,824	0.5%
Year-round Home	2,076	48.8%	\$10,733,280	45.1%	\$1,819,200,000	\$876,301	\$13,982,040	44.0%
Uncategorized	-	0.0%	\$0	0.0%	\$0	n/a	\$0	0.0%
Tax Exempt	26	0.6%	\$131,280	0.6%	\$22,250,847	\$855,802	\$0	0.0%
SUBTOTAL	4,254	100.0%	\$23,782,344	100.0%	\$4,030,905,763	\$947,557	\$31,767,037	100.0%
% of Town Total	23.4%	n/a	13.1%	n/a	13.1%	56.1%	20.4%	n/a

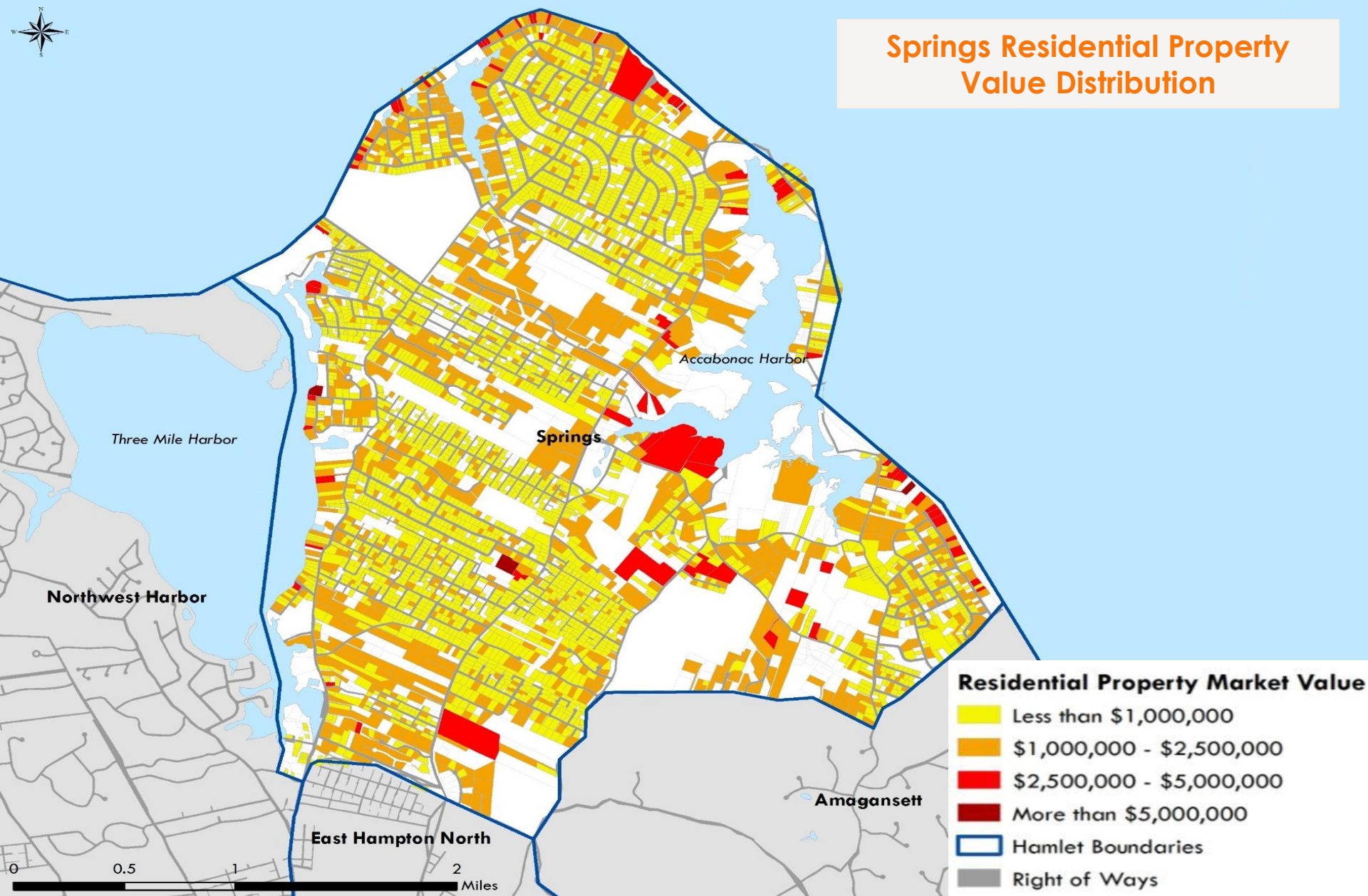
Town Total

Second Home	11,498	63.2%	\$133,905,372	73.9%	\$22,695,825,763	\$1,973,893	\$112,885,909	72.3%
Other Parts of Long Island	2,232	12.3%	\$18,616,996	10.3%	\$3,155,423,051	\$1,413,720	\$16,844,962	10.8%
NY State excluding Long Island	7,029	38.7%	\$87,311,812	48.2%	\$14,798,612,203	\$2,105,365	\$72,877,581	46.7%
Other U.S. States	2,133	11.7%	\$26,290,354	14.5%	\$4,455,992,203	\$2,089,073	\$21,820,893	14.0%
International	104	0.6%	\$1,686,210	0.9%	\$285,798,305	\$2,748,061	\$1,342,472	0.9%
Year-round Home	6,610	36.4%	\$46,784,912	25.8%	\$7,929,646,102	\$1,199,644	\$43,159,413	27.7%
Uncategorized	3	0.0%	\$9,700	0.0%	\$1,644,068	\$548,023	\$8,728	0.0%
Tax Exempt	70	0.4%	\$539,025	0.3%	\$91,360,169	\$1,305,145	\$0	0.0%
TOTAL	18,181	100.0%	\$181,239,009	100.0%	\$30,718,476,102	\$1,689,592	\$156,054,050	100.0%

Source: Town of East Hampton, East Hampton Village, NY State Dept. of Taxation and Finance, KRG Associates, Inc., 2017



Springs Residential Property Value Distribution



East Hampton Residential Property Ownership Pattern (2015)

East Hampton	Properties		Total Assessed Value		Market Value		Total Tax	
	Number	%	\$	%	Total	Per Property	\$	%
Second Home	5,283	65.0%	\$73,905,402	76.8%	\$12,526,339,322	\$2,371,066	\$59,024,872	76.5%
Other Parts of Long Island	956	11.8%	\$8,187,741	8.5%	\$1,387,752,712	\$1,451,624	\$6,980,315	9.0%
NY State excluding Long Island	3,362	41.4%	\$50,137,418	52.1%	\$8,497,867,458	\$2,527,623	\$40,003,626	51.9%
Other U.S. States	910	11.2%	\$14,609,148	15.2%	\$2,476,126,780	\$2,721,018	\$11,304,751	14.7%
International	55	0.7%	\$971,095	1.0%	\$164,592,373	\$2,992,589	\$736,180	1.0%
Year-round Home	2,809	34.6%	\$22,000,030	22.9%	\$3,728,818,644	\$1,327,454	\$18,105,558	23.5%
Uncategorized	3	0.0%	\$9,700	0.0%	\$1,644,068	\$548,023	\$8,728	0.0%
Tax Exempt	35	0.4%	\$311,295	0.3%	\$52,761,864	\$1,507,482	\$0	0.0%
SUBTOTAL	8,130	100.0%	\$96,226,427	100.0%	\$16,309,563,898	\$2,006,096	\$77,139,158	100.0%
% of Town Total	44.7%	n/a	53.1%	n/a	53.1%	118.7%	49.4%	n/a

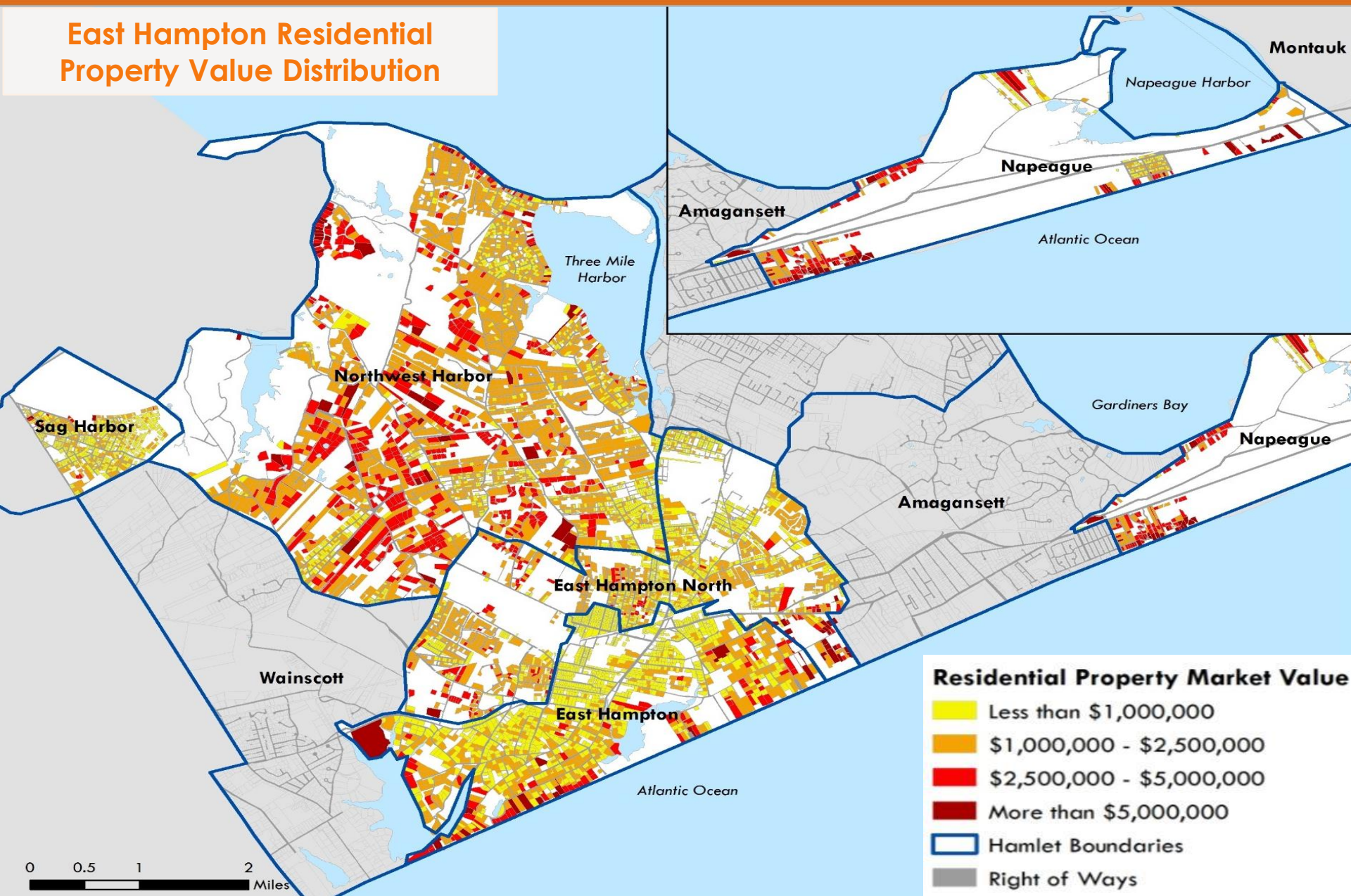
(Including East Hampton Village)

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Source: Town of East Hampton, East Hampton Village, NY State Dept. of Taxation and Finance, KRG Associates, Inc., 2017

East Hampton Residential Property Value Distribution



Economic Base and Key Industries

- Tourism Economy – marina/harbor, golf course, recreation, etc.
- Construction (special trade contractors) concentration in Springs
- Concentration of contractor operations impacting residential areas

Business Districts

- Springs lacks hamlet business district
- Main Street Diverse Business Mix

Real Estate

- Springs property values lowest of all hamlets but housing more affordable
- Springs has a much lower percentage of second homes
- East Hampton property value higher than town-level mainly due to East Hampton Village

An aerial photograph of a large, winding body of water, likely a bay or inlet, surrounded by dense green forest. In the foreground, there is a marina with numerous sailboats docked at piers. A road runs along the right side of the water, and a small building is visible near the marina. The sky is blue with some clouds.

RECOMMENDATIONS

Implementation Organization

- Recommendation #1: Investigate the potential for adopting Hamlet Business Improvement Districts (BID) where desired
- Recommendation #2: Consider the creation of an economic development coordinator position under the direction of the East Hampton Town Board to manage future economic development initiatives

Economic Development

- Recommendation #1: Support local efforts to organize a ""Farm to Table"" Cooperative to provide fresh livestock, seafood, vegetables and fruits to local restaurants"
- Recommendation #2: Create a Commercial Kitchen Incubator to support culinary startup businesses and catering operations

Business District Revitalization

- Recommendation #1: Rezone a portion of the Wainscott sand pit as a new location for construction services, design, supplies and landscaping businesses
- Recommendation #2: Create a Special Assessment District to support the construction of localized sewerage treatment facilities as needed
- Recommendation #3: Consider the creation of a ""Co-work Space"" to cater to the needs of sole proprietary and small businesses engaged B2B or professional services "

Housing

- Recommendation #1 Consider new mixed-income residential developments in the future reclaimed sand pits located in Wainscott and East Hampton
- Recommendation #2: Consider creating an Affordable Housing Trust Fund to assist in the provision of mixed-income housing

Regulatory Changes

- Recommendation #1: Consider allowing a 5% expansion of non-conforming uses in exchange for voluntary mitigation of negative impacts to adjacent neighborhoods